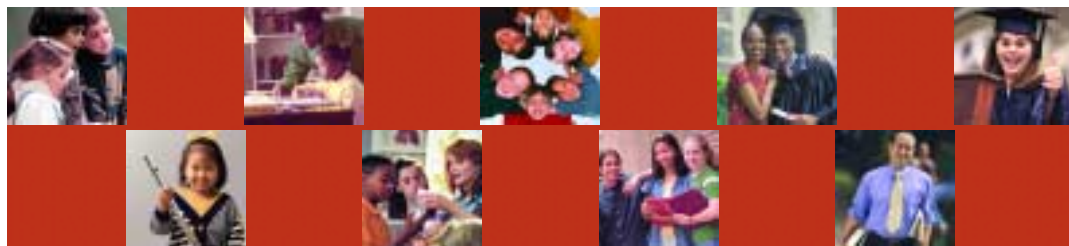


the condition of education 2003



INDICATOR 40

International Comparisons of Expenditures for Education

The indicator and corresponding tables are taken directly from *The Condition of Education 2003*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2003*, visit the NCES web site (<http://nces.ed.gov/pubsearch/pubsinfo.sap?pubid=2003067>) or contact ED PUBs at 1-877-4ED-PUBS.

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Financing for Elementary and Secondary Education

International Comparisons of Expenditures for Education

Wealthy nations spend more per student on education, but typically do not spend a higher percentage of their wealth on education than do less wealthy nations.

Two measures used to compare countries' investment in education are expenditures per student (expressed in absolute terms) from both public and private sources and total expenditures as a percentage of gross domestic product (GDP). The latter measure allows a comparison of countries' expenditures relative to their ability to finance education.

In 1999, expenditures per student for the member countries of the Organization for Economic Cooperation and Development (OECD) averaged \$4,850 at the combined elementary and secondary level and \$9,210 at the postsecondary level. However, expenditures per student varied widely across these countries, ranging from \$1,240 (Mexico) to \$8,194 (Switzerland) at the combined elementary and secondary level and from \$3,912 (Poland) to \$19,220 (United States) at the postsecondary level (see supplemental table 40-1).

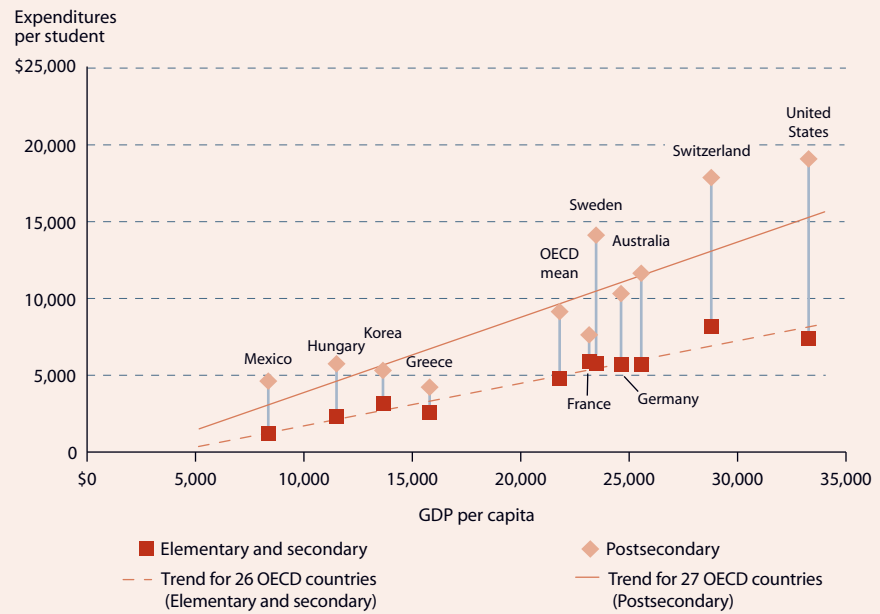
A positive pattern was detected between countries' wealth (defined as GDP per capita) and per student expenditures on education at the elementary/secondary and postsecondary levels. For example, Switzerland and the United States, two of the wealthiest countries reporting data, also ranked the highest in amounts

spent per student on elementary/secondary education in 1999. The same two countries also maintained the largest per student expenditure for postsecondary education in 1999 (\$19,220 in the United States and \$17,997 in Switzerland).

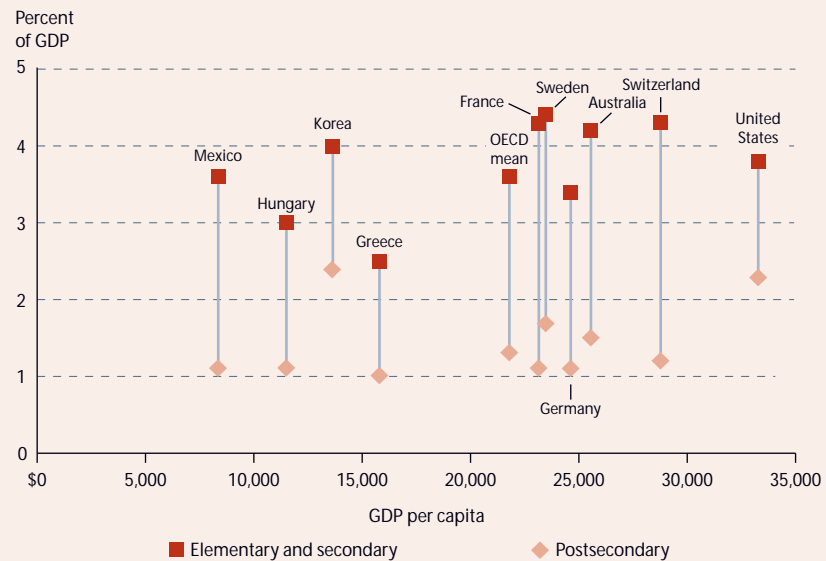
In contrast to the positive relationship observed between OECD countries' wealth and per student expenditures, no significant relationship was detected between wealth and the share of total GDP devoted to education. This pattern was found at both the elementary/secondary and postsecondary levels. This implies that on average, while wealthy countries spend more per student than less wealthy countries, the former do not devote a higher percentage of their GDP to the cost of education than do less wealthy countries, or vice versa.

In 1999, the United States spent 3.8 percent of its GDP on elementary/secondary education, while the average for all OECD countries reporting data was 3.6 percent. The United States spent 2.3 percent of its GDP on postsecondary education. The corresponding OECD average was 1.3 percent.

EXPENDITURES FOR EDUCATION: Annual expenditures per student in relation to GDP per capita, by level of education for selected OECD countries: 1999



EXPENDITURES FOR EDUCATION: Annual expenditures as a percentage of GDP, by GDP per capita and level of education for selected OECD countries: 1999



NOTE: Per student expenditures are calculated based on public and private full-time-equivalent (FTE) enrollment figures and current expenditures and capital outlay from both public and private sources where data are available. Purchasing Power Parity (PPP) indices are used to convert other currencies to U.S. dollars. Within-country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries.

SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2002). *Education at a Glance: OECD Indicators 2002*, tables B1.1, B2.1c, B6.2, and X2.1. Data from OECD Education Database, unpublished data (December 2002).



FOR MORE INFORMATION:
Supplemental Note 7
Supplemental Table 40-1

International Comparisons of Expenditures for Education

Table 40-1. Annual expenditures on public and private institutions per student and as a percentage of GDP, by level of education and country: 1999

Country	Expenditures on public and private institutions per student ¹		Expenditures on public and private institutions as a percentage of GDP		GDP ² per capita (in equivalent U.S. dollars converted using PPPs)
	Elementary and secondary ³	Postsecondary ⁴	Elementary and secondary ³	Postsecondary ⁴	
OECD mean	\$4,850	\$9,210	3.6	1.3	\$21,795
Australia	5,782	11,725	4.2	1.5	25,559
Austria ⁵	7,806	12,070	4.1	1.5	25,703
Belgium	5,329	9,724	3.5	1.3	24,669
Canada	5,981	15,211	3.8	2.5	25,243
Czech Republic	2,759	5,688	3.1	0.9	13,553
Denmark	7,226	10,657	4.1	1.6	27,679
Finland	5,093	8,114	3.6	1.8	23,429
France	5,944	7,867	4.3	1.1	23,155
Germany	5,734	10,393	3.4	1.1	24,627
Greece	2,571	4,260	2.5	1.0	15,799
Hungary	2,303	5,861	3.0	1.1	11,505
Iceland	—	—	—	—	27,695
Ireland	3,605	9,673	3.0	1.4	26,006
Italy	6,066	7,552	3.2	0.8	23,952
Japan	5,668	10,278	3.0	1.0	25,079
Korea	3,137	5,356	4.0	2.4	13,647
Luxembourg	—	—	—	—	43,069
Mexico	1,240	4,789	3.6	1.1	8,357
Netherlands	4,933	12,285	3.1	1.3	26,440
New Zealand	—	—	4.6	0.9	19,423
Norway ⁵	6,665	12,096	4.0	1.5	29,013
Poland	1,778	3,912	3.6	1.0	8,991
Portugal ⁵	4,320	4,802	4.0	1.1	17,063
Slovak Republic	1,852	5,325	3.0	0.8	11,152
Spain	4,331	5,707	3.7	1.1	19,044
Sweden	5,827	14,222	4.4	1.7	23,476
Switzerland	8,194	17,997	4.3	1.2	28,778
Turkey	—	4,328	2.9	1.0	5,966
United Kingdom	4,563	9,554	3.7	1.1	22,499
United States	7,397	19,220	3.8	2.3	33,280

—Not available.

¹Per student expenditures are calculated based on public and private full-time-equivalent (FTE) enrollment figures (adjusted for the 1998–99 school year) and on current expenditures and capital outlay from both public and private sources where data are available.

²GDP adjusted to national financial year.

³Includes postsecondary nontertiary data for Belgium, Finland, Japan, Norway, Poland, Slovak Republic, Spain, and the United Kingdom.

⁴Includes postsecondary nontertiary data for Canada, Japan, and the United States.

⁵Data are for full-time and part-time students.

NOTE: Educational expenditures are from public and private revenue sources. Purchasing Power Parity (PPP) indices are used to convert other currencies to U.S. dollars. Within-country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries. Includes all institutions, public and private, with the exception of Greece, Hungary, Italy, Norway, Poland, Switzerland, and Turkey, which include public institutions only, and the Netherlands, which includes public and government-dependent private institutions only.

SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2002). *Education at a Glance: OECD Indicators 2002*, tables B1.1, B2.1c, B6.2, and X2.1. Data from OECD Education Database, unpublished data (December 2002).